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CENTRAL INTELLIGENCE AGENCY

# INFORMATION REPORT

## REPORT

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SUBJECT Chinese Communist Opium Traffic

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1. To disguise the role of the Chinese Communist government in the opium trade, a business concern known as the Lin Chi Company\* has been established with its head office and main distribution center in Peiping, and branches throughout the country and in Manchuria. The manager is YANG Ching-yu.
2. Opium is graded and prepared for shipment at the Lin Chi Company's head office, 9 Ta T'ien Shui Ching Hutung, Peiping, and in various other places in other cities. The packages usually appear to contain native medicines and herbs.
3. The Lin Chi Company is under the control of the Committee of Finance and Economics, which is the link between them and the Chinese Communist government.

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5. The Lu Ho Company is believed to be an important channel through which the sale and distribution of opium is effected. PAO Liu-an has represented the firm in Peiping in arranging for future supplies.

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25 YEAR RE-REVIEW

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